

The impact of organization's social responsibility, quality of services and joint identity of organization and customer on satisfaction and loyalty of customers

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Abstract— Nowadays inattention of organizations to rights and nonconformity of ethics fundamental encountering external stakeholders, can make some problems for organization and question organisation's legitimation and proceeding and affect profit and success of organization. Poor work ethic can affect on people attitude toward work, organization and managers and can affect individual, organizational or group performance. Whenever this problem affect organization performance can affect customers attitude toward organization too. Social responsibility impact on satisfaction of staffs is studying in this paper, because customers are the most important factor of a company's benefit. Therefore, a research model is prepared that nine hypothesis is prepared based on it. A questionnaire is prepared for proving hypothesis and they have distributed among 384 customers of Pasargad Bank. Inputs processed by SPSS and LIZREL softwares. At the end just a hypothesis rejected and the rest proved. It is specified that social responsibilities of bank, service quality and joint identity of organization and customer are effective on customer's satisfaction and loyalty.

Index Terms— Loyalty of customers, Social responsibility, Satisfaction of customers, Pasargad Bank, Quality of services.

I. INTRODUCTION

Nowadays in order to complexity of existing companies relation in society with each other and with government and people of society there is a situation that companies should answer not only to stakeholders but also to people too. Since 60's companies understood the importance of social sources and this importance was obvious after a decade in social reporting. 70s was beginning and climax of calculation and social reporting. In this decade many articles has written that shows managers interest to providing social information and as you see in the first decade of social calculation extension many companies advanced toward social reporting. The main goal of organizations, was efficiency and profit increasing, but in order to be successful they should have suitable reaction to social expectations and moral judgment and assimilate these expectations with organization's economic goals to make possible the access of higher goals. The adherence of managers and leaders of organizations to ethics, paying attention to legitimacy of organization works according to staffs, attention and emphasis on universal ethical, developing code of ethics, appropriate measures consistent with the wishes and sensitivities of the community, ethics training programs for managers and staffs are some of work that managers can do. In this chapter we will study

general investigation that is about studying the effect of social responsibilities on satisfaction and loyalty of customers.

II. PROBLEM STATEMENT

Nowadays organizations need ethical guidelines to help them for doing duties with the most and effective function and reaching goals and missions in addition to standards and organizational and legal rules by coordination and consistency to facilitate their movement toward good situation. Observing business ethics and social responsibility by increasing organization legitimacy of actions, profitability and improving competitive advantage and affects organization success and customers satisfaction (Rahman Seresht, 1388). Social responsibilities of organizations play strategic rule in this area and researchs have been noticed in recent years (Luo and Bhattacharya, 2006).

Organizations that cannot match them will not be successful in practice. In other words, organizations should pay attention to social responsibilities to maintain in society and among customers or recover it as it leads them to have their customers loyalty. Therefore, social responsibility of organizations is one of the most important factors of all the organizations survival (Lantos, 2002; Vaaland et al., 2008). Social responsibility of organization contains the whole range of fundamentals that is expected to be accepted by organizations and reflect in their proceedings. Principles, among other cases include respect for human rights, fair treatment of labor, customers and suppliers, being good citizens in the society and paying attention to environment and these principles are not only good but also important factors in making sure that society provides organization's survival, because it uses organization's activity and behavior (HS MR, 1382). Therefore many organizations get aware from social responsibility's direct economic value and by merging it as investment strategy with main strategy of business and management activities, can have positive effect on society and environment and reinforce their reputation. By following this way they not only produce profit for themselves but also prove their future situation (experts group in Iran, 1386). Companies social responsibility has been studied with different variables. Previous researchs show that company's social responsibility affects consumers response and idea direct or indirect. Positive understanding of consumers from company's activities in social responsibility field leads to good evaluation and view in order to company (Lou & Bhattacharya, 2006).

On the other hand the competition between institutes and corporations to have the most portion and consumer trying to reach more satisfaction forces corporations to reach for gaining better situation in marketing and consumers try to find better marketing too (Schneider & White, 2004). Reaching

these goals has close relation by studying to concepts, quality of goods and satisfaction of customers, studying these two concepts in service markets are because of special properties, sensitive and important services and they are highly important for service giving organizations. One of the corporations or organizations that are working in service giving field and their role and importance in economy and development of country is obvious are banks (Ghanizadeh, Besheli, & Talebi, 2010). Therefore, it is considered that finding the relationship between two concepts can affect customer satisfaction by recovering banks services that reaching this goal can be one of the problems of organization's services specially banks. In order to studied subjects high importance of social responsibilities and their role and service quality in function recovery of organization and managers has determined, so that the problem that is studied in this research is that does social responsibilities, given services quality and bank match with customer affects on satisfaction of bank customers and how is this affections priority?

III. SOCIAL RESPONSIBILITY OF ORGANIZATION

Nowadays companies' social responsibility (CSR) have wider concept than previous activities. Social responsibilities discussions place is western industrial countries. Social responsibility is generally an activity that investment owners and corporations do voluntarily as an effective member in society.

One of the properties of social sciences is that scientists of them do not give unique definition. Social responsibility of organization is like it too. We read some of definitions for social responsibility:

- Social responsibility, is set of tasks and commitments that organization should do in order to maintain and help to society that live in it (Mattila, 2009).
- Social responsibility is a duty of private institutes that does not have bad effect on society that work in it. These duties include: not polluting, discrimination in employment, not doing immoral activities and informing consumer from quality of products. It is also a duty based on positive partnership in living of society members (Galbreath, 2009).
- Social responsibility is one of the duties and commitments of organization in order to exclude society to maximize benefit of society (Sen, 2006).
- Social responsibility means commitment of private part's managers, that they should make decision in a way that improves social welfare in addition to benefit gaining for institute (Freeman, 2011).
- Commitment of manager in doing works that improves social welfare and corporation interests.

In result social responsibility of organizations can be defined as following:

Social responsibilities of organizations is need for response, satisfying the expectations of external stakeholders such as customers, suppliers, distributors, environmental protection and service and production staff or protecting advantages of of internal stakeholders such as owners, shareholders and offices (Rahmanseresht, 1377).

In range of stakeholders groups in corporations, the following groups are present: owners or shareholders, managers, staff, customers or consumers, suppliers, distributors, governing bodies enforce laws, environment protectors organization, people of organization's activity place, government, competitors, banks and financial institutes, media and science society.

IV. SERVICE QUALITY

Definition of service quality is difficult. The first writing about service quality is that a service has quality of providing customers needs and service level that is given to customers matches with their expectations. Customers expectations is in relation with what they want and their interest and what they feel producers should give them. Therefore, customer determines and judges quality. If a service satisfies customer has quality. By the way if a service be lower than customers expectations does not mean that it does not have quality, but it makes customer not to feel satisfy. Therefore, service quality is evaluated base on what customer expects (Venus, 1381). service quality that is considered as high quality or higher than customers expectations is a concept that is introduced by Parasuraman et al in 1985. He defines service quality as following: "service quality is considered as the difference between the perceptions and expectations of customers". Parasuraman believes that service quality includes customers prebuying expectations, quality that is understanding from buying process and the quality that is understanding from result. He defines quality as distance between customers expectations of service and introduces it as his definition from the service he has received (Parasuraman, 1985).

Provided given services quality as consumer judgment defines about being high and it differs with visual quality that includes a visual or structural aspect of an event or something. Understanding quality is form of an attitude that is related with satisfaction and result of comparison between expectations with perception of function and it is not same as it. Parasuraman et al also support this idea that service quality of a comprehensive evaluation is similar to attitude (Zeithaml, 1992).

V. SERVICE QUALITY AS CUSTOMER SATISFACTION INTRODUCTION

Attitudes, expectations and preference of customers are some of customer satisfaction factors. Satisfaction or dissatisfaction is because of difference between expectations and attitudes of customer from reality.

Nowadays, companies should produce good productions with high quality to attract customers and make them happy in addition to omitting dissatisfaction reasons. Therefore, researchs in the field of customer satisfaction have a close relationship with evaluation of service quality that is providing by companies (Cronin and Taylor, 1992).

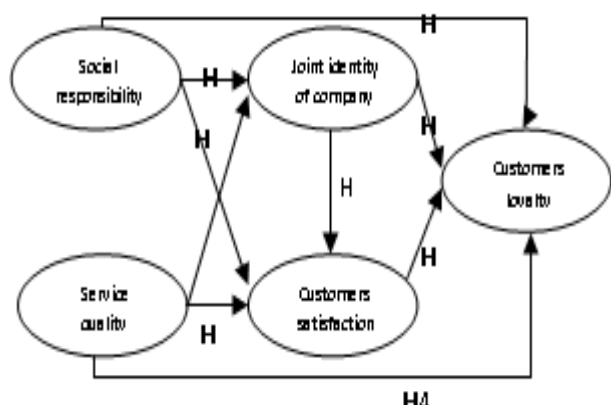
Cronin and Taylor study the relation among service, customers satisfaction and buyers decision and their studies show that service quality is the first factors of customer satisfaction and customers satisfaction has high effect on buyers decision (Cronin and Taylor, 1992).

Quality is the most important factor in buying decision. In addition to them quality plays an important role in increasing market share and return rate of investment like decreasing

operating expenses and productivity growth. A service has quality that is able to meet the needs of customers and matches their expectations. Customers expectations is in relation with what they want or what they feel service provider should give them.

VI. MODEL AND HYPOTHESIS OF RESEARCH

Model and conceptual frame of research which is base on Arikan and Guner (2013) has shown in picture 1. As you see in model, social responsibility and service quality is as following:



Picture1- conceptual model of research (Arikan and Guner, 2013)

Hypothesis of this research ase on research model are as following:

- Customers perception of organizations social responsibility has positive effect on customers satisfaction.
- Customers perception of organizations social responsibility has positive effect on customers loyalty.
- Customers perception of service quality has positive effect on customers satisfaction.
- Customers perception of service quality has positive effect on customers loyalty.
- Customers perception of social responsibilities has positive effect on joint identity of company and customers.
- Customers perception of service quality has positive effect on joint identity of company and customer.
- Joint identity of company and customer has positive effect on customers loyalty.
- Joint identity of company and customer has positie effect on customers satisfaction.
- Customers satisfaction has positive effect on customers loyalty.

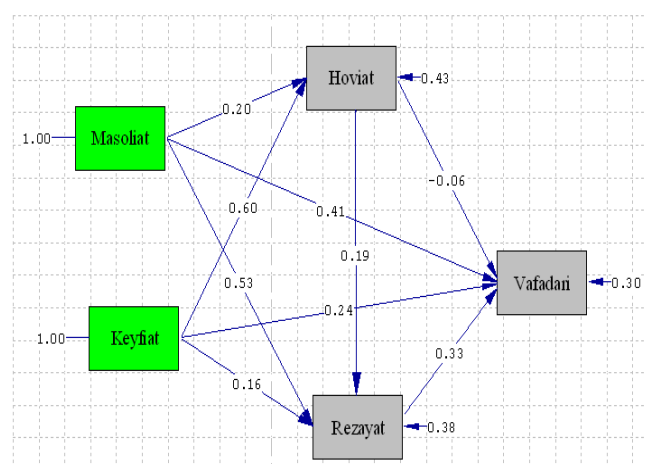
VII. RESEARCH METHOD

In this research the main force is on studying social responsibilities, service quality and joint identity of organization and customer and their satisfaction and loyalty in Pasargad Bank; so that, this research is kind of descriptive-survey research and it's goal is functional. Statistical society in this research contains the whole customers of Pasargad bank in western part of Tehran.

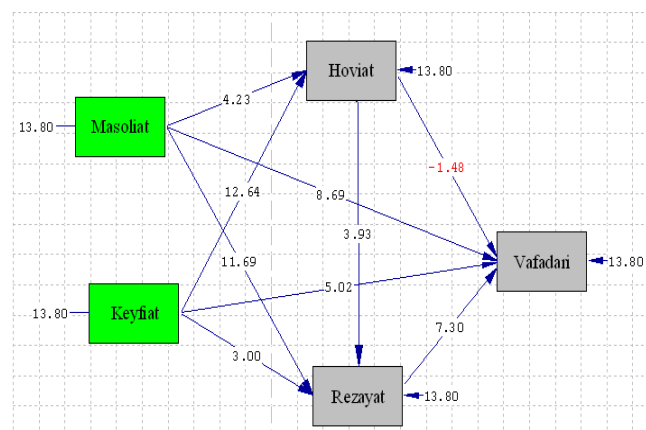
Statistical modelof research by using sampling frmula is 384. For collecting research data from questionnaire it had been used foreign questionnaire. Reliability of research by using Cronbac alfa has been tested. Alfa coefficient for all questionnaire variables in testing level and final level has been resulted that shows suitable variability of research. In order to studying research hypothesis it has been used path analysis.

VIII. RESEARCH HYPOTHESIS TEST

In this part we study and test proposed hypothesis by path analysis. After expressing model and collecting data, estimating model begins by set of relations between measured variables. Path models are as developing regression logical multiple models. In path analyzing there is possibility of existing many numbers of dependent or independent and many equations. In table of output all of coefficients and model parameters are tested. For coefficients to be significant, significant numbers should be bigger than 1.96 and smaller than -1.96. the result of path analysis model and path significant coefficient is obvious in pictures 2 and 3.



Picture 2- path model analysis (standard coefficient)



Picture 3- path model analysis (significant numbers)

Following tables shows relations and coefficients better.

Table 1- calculation of direct and indirect effect and whole effects of dependent and independent variables

| Independent variable (from) | Dependent variable (to) | Direct effect | Indirect effect | Whole effect |
|-----------------------------|-------------------------|---------------|-----------------|--------------|
| | joint identity | 0.2 | ----- | 0.2 |

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| | | | | |
|-----------------------|-----------------------|-------|-------|------|
| Social responsibility | Customer satisfaction | 0.53 | 0.04 | 0.57 |
| | Customer loyalty | 0.41 | 0.18 | 0.59 |
| Service quality | Joint identity | 0.6 | ----- | 0.6 |
| | Customer satisfaction | 0.16 | 0.11 | 0.27 |
| | Customer loyalty | 0.24 | 0.05 | 0.29 |
| Customer satisfaction | Customer loyalty | 0.33 | ----- | 0.33 |
| Joint identity | Customer loyalty | 0.19 | ----- | 0.19 |
| | Customer satisfaction | -0.06 | 0.06 | 0 |

Base on table 1, social responsibility has the most effect (0.60) on the variable of joint identity between variables. On the other hand the most indirect effect is related to social responsibility based on customer's loyalty with the coefficient effect of 0.18.

Table 2- standard coefficient results and significant numbers

| from | to | Standard coefficient | Significant numbers (t values) | Approve or reject hypothesis |
|-----------------------|-----------------------|----------------------|--------------------------------|------------------------------|
| Social responsibility | Joint identity | 0.20 | 4.23 | Approve |
| Social responsibility | Customer satisfaction | 0.53 | 11.69 | Approve |
| Social responsibility | Customer loyalty | 0.41 | 8.69 | Approve |
| Service quality | Joint identity | 0.60 | 12.64 | Approve |
| Service quality | Customer satisfaction | 0.16 | 3.00 | Approve |
| Service quality | Customer loyalty | 0.24 | 5.02 | Approve |
| Joint identity | Customer satisfaction | 0.19 | 3.93 | Approve |
| Joint identity | Customer loyalty | -0.06 | -1.48 | Reject |
| Customer satisfaction | Customer loyalty | 0.33 | 7.30 | Approve |

As you see in table 2 standard coefficient for 8 hypothesis of research, has many significant numbers (more than 1.96). therefore 8 hypothesis approves from 9 hypothesis of this research.

IX. CONCLUSIONS AND RECOMMENDATIONS

As you can see in results of research social responsibility and service quality affects joint identity, customer satisfaction and loyalty. Joint identity has effect on customer satisfaction. Customer satisfaction has effect on customer loyalty. With regard to provided results from research some

recommendations are given for improvement of satisfaction and loyalty of Pasargad bank's customers:

With regard to high effect of customers perception from social responsibilities and their satisfaction and loyalty we recommend the bank to have a good plan for it. Ethics has effect on people's activity and it is important for suitable reaction, commitment and staff's responsibility. Pundits says that if staff believe that they receive fair behavior, they will work more. Managing ethics at work also leads to the legitimacy of management practices and strengthen the cohesion and cultural exchange of organization, recovers the confidence between people and groups and by following standards, leads to better quality of productions and finally increases the profit of the organization. Bank managers should believe that promoting ethics and strengthening spiritual culture leads to strategic benefits. However, the main goal of the bank is increasing functionality and having benefit, but in globalizing for reaching success should have good reaction and matches these goals with bank's economic goals to facilitate reaching higher goals. Observing business ethics and social responsibility by improving legitimacy of bank, using profits of multiplicity and income increasing, benefit and recovering competition affect success of a bank. There are some works that managers can do: Commitment of Pasargad bank leaders and managers to ethics, paying attention to legitimacy of bank from staff point of view, attention to universal ethics, developing code of ethics of organization, suitable works, proportional proceedings with society, teaching ethics to managers and staff.

With regard to effect of service quality on customers loyalty and satisfaction, some recommendations will propose to managers. One of the most important problems that should be noticed in this part is an effort to increase the quality of banking services which is provided in different parts. A bank should always try to have updated services to have better quality than its competitors. Evaluating different branches of the bank is also from other works that bank staff should do to improve the quality of services and their improvement. Training courses for managers and staff of banks which have direct relation with customer will recover bank services too. Improving bank areas of expertise in the field of electronic banking is the other suggestion for increasing bank services quality. Encouraging staff can be helpful too.

With regard to positive perception of customers from social responsibilities and service quality on joint identity of company and customer some recommendations propose to managers of the banks. When a customer have good perception from an organization he can have good relation with it, therefore bank should attract people. It can reach this goal by activity in the field of social responsibilities. However at the present time Pasargad bank does some works like making soccer team and movies, but they are not much. This bank should participate in social responsibilities to make its customers sure like: school or hospital building, supporting sick children etc.

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